

MINUTES

**MONTANA HOUSE OF REPRESENTATIVES
57th LEGISLATURE - REGULAR SESSION
COMMITTEE ON APPROPRIATIONS**

Call to Order: By **CHAIRMAN STEVE VICK**, on February 7, 2001 at 3:00 P.M., in Room 102 Capitol.

ROLL CALL

Members Present:

Rep. Steve Vick, Chairman (R)
Rep. Dave Lewis, Vice Chairman (R)
Rep. Matt McCann, Vice Chairman (D)
Rep. John Brueggeman (R)
Rep. Rosalie (Rosie) Buzzas (D)
Rep. Tim Callahan (D)
Rep. Edith Clark (R)
Rep. Bob Davies (R)
Rep. Stanley Fisher (R)
Rep. Joey Jayne (D)
Rep. Dave Kasten (R)
Rep. Christine Kaufmann (D)
Rep. Monica Lindeen (D)
Rep. Jeff Pattison (R)
Rep. Art Peterson (R)
Rep. Joe Tropila (D)
Rep. John Witt (R)

Members Excused: Rep. Dick Haines (R)

Members Absent: None.

Staff Present: Paula Broadhurst, Committee Secretary
Taryn Purdy, Legislative Branch

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing(s) & Date(s) Posted: HB 425 HB 414, 2/07/01.
Executive Action: None.

HEARING ON HB 425

Sponsor: Rep. Gay Ann Masolo, HD 40.

Proponents: Wendy Young, WEEL; Erik Burke, MEA-MFT; Arlene Parisot, Office of Commissioner of Higher Education; Patti Keebler, Montana AFL-CIO; Colleen Murphy, Montana Chapter National Association of Social Workers; Daniel Casey, Montana Human Rights Network; Judy Smith, Women's Opportunity and Resource Development in Missoula; Sharon Hoff-Brodoway, Montana Catholic Conference; Rebecca Moog, Montana Women's Lobby; Helen Taffs, Self.

Opponents: None.

Informational Witnesses: Hank Hudson, Department of Public Health and Human Services.

Opening Statement by Sponsor:

Rep. Masolo said she firmly believes the way to get from generation to generation to get off welfare is to have people educated. The Federal Law requires states to have a specified percentage of welfare recipients and designated work activities. For fiscal year 2001, the basic rate is 45%. The law has a provision to reduce this rate based on states case load decline. This bill directs the Department of Health and Human Services to eliminate the barriers for families to pursue an education, and would start the parents as scholars. The only way to have true economic development is to have an educated work force.

Proponents' Testimony:

{Tape : 1; Side : A; Approx. Time Counter : 4.6}

Wendy Young said she is with WEEL, which is working for a quality and economic liberation where low-income organizations, who organize families across the state. Most of their members are families who currently are on assistance and those who have left assistance. This bill gives guidance to the Department of Health and Human Services to express the legislative intent for allowing families to pursue education. This bill eliminates the barriers for families who want to pursue education. She handed out information on a typical family's income, **EXHIBIT (aph31a01)**, also Post-Secondary Education Increases Opportunity, **EXHIBIT (aph31a02)**, and Benefits from Investing in People, **EXHIBIT (aph31a03)**.

Erik Burke said they support HB 425, throughout the country as they look at welfare reforms members, education has been critical for those recipients on welfare programs for staying off welfare and being able to support themselves.

{Tape : 1; Side : A; Approx. Time Counter : 17.8}

Arlene Parisot said they support HB 425 in terms of what it can do for Montanans. In HB 425, the approved education programs include high school completion, two year training technical programs, a statement regarding a skills training center pilot program in coordination with the Board of Regents and/or a community college district.

Patti Keebler said they support HB 425, this is a measure for a realistic and understanding of the type and quality of training and education necessary to be successful in today's job market.

Colleen Murphy said they support HB 425.

Daniel Casey said they support HB 425 as educational opportunity is a basic human right.

Judy Smith said their organization has been involved in programs encouraging welfare recipients to take a look at education as a way out of poverty since the middle 80's. For long term, it is important for post-secondary education for families to move out of welfare.

{Tape : 1; Side : B; Approx. Time Counter : 0.3}

Sharon Hoff-Brodowy said they support post-secondary education as it helps people to get out of poverty and stay out of poverty. The assessment process is critical because people who want to get a secondary education, it is the place they belong, so they are not set up to fail again.

Rebecca Moog said she had been on assistance and experienced barriers to post-secondary education. The barriers were having a work requirement of 15 hours a week. This was impossible to meet as she had two young children. She supports HB 425.

Helen Taffs said she supports HB 425.

Opponents' Testimony: None.

Informational Witnesses' Testimony:

Hank Hudson spoke on the fiscal note for the bill, **EXHIBIT (aph31a04)**. He said the best way to get people out of poverty in Montana is to increase their skills through higher education.

Questions from Committee Members and Responses:

{Tape : 1; Side : B; Approx. Time Counter : 9.7}

Rep. Buzzas asked **Mr. Hudson** about the statement he made. If this particular proposal were to be funded, it would have to counter balance something that is already in his plan. She asked if he had a different approach. **Mr. Hudson** said he did not have a specific plan to reduce the items.

Rep. Buzzas commented this is basically a different approach to what the department and state has been taking on moving people from welfare to work.

Rep. McCann asked **Mr. Hudson** if he agreed with the fiscal note on how the numbers were put together and if he agreed this is an appropriate way to fund these people to achieve higher education.

Mr. Hudson said he agreed with the fiscal note and supported the policy that says for some people going to college it is the best strategy to get out of poverty.

Rep. Pattison asked **Ms. Young** if the money is used to help these people go to school and find a good paying job. He asked about the graph she handed out. **Ms. Young** said yes, this is to show some of the differences between cost and wages.

{Tape : 1; Side : B; Approx. Time Counter : 23.5}

Rep. Peterson asked **Mr. Burke** since there are national funds involved if they can pass this given their restrictions that they can give no direct or indirect aide to secretary of schools. **Mr. Burke** said in the bill's body there isn't any language that provides money directly to any of these institutions.

Rep. Kaufmann asked **Ms. Smith** why emphasis on education to get out of poverty dropped away. **Ms. Smith** said the federal language happened about the same time they implemented their package, and the federal language was more restrictive. The availability of child care resources became more restrictive to go to post secondary education.

{Tape : 2; Side : A; Approx. Time Counter : 0.5}

Rep. Kaufmann asked **Ms. Smith** if the federal funds restrictions are more flexible now than they were. **Ms. Smith** said there is more discussion at the federal level around the investment of the money and what they can use it for. Training has become more of an investment strategy.

Rep. Kaufmann asked **Ms. Young** what has happened in other states that have implemented a similar program in terms of increase in overall caseload. **Ms. Young** said she spoke with the TANF policy specialist in Illinois, David Peterson. He said they haven't seen an increase in people since 1999. There were 1,000-1,500 people before they started this program and that has remained the same. He also stated people were pursuing two-year degrees since the program.

Rep. McCann asked **Mr. Hudson** if it would be more reasonable to help a percentage of people across the State try to achieve a higher level of education than helping everyone at once for higher education. **Mr. Hudson** said the assumption was if a program was offered that did not have work requirements or a minimum of work requirements, and limited the time clock, that would be an attractive option to a number of people, both on the case load and people who left because of work requirements.

Rep. Lewis asked **Mr. Hudson** to go over the fiscal note again.

Ms. Young explained the cost and benefits and who is receiving money out of the TANF funds and childcare of families that are currently on assistance.

Closing by Sponsor:

Rep. Masolo said it is the legislators job to give the DPHHS guidance. People are still going to have to work, but not as much, their education will count toward the workload.

HEARING ON HB 414

Sponsor: Rep. Edith Clark, HD 88.

Proponents: Senator Chris Christiaens, SD 23; Ren Essene, HomeWord; Judy Smith, WORD; Sharon Hoff-Brodowy, Montana Catholic Conference.

Opponents: None.

Informational Witnesses: Hank Hudson, Department of Public Health and Human Services; Bruce Brinstol, Director of Board of Housing.

Opening Statement by Sponsor:

Rep. Clark said she was present to help Senator Christiaens open an appropriations bill.

Proponents' Testimony:

Senator Christiaens said there is 44 million dollars in the TANF fund and 31 million dollars has already been allocated and that leaves 14 million dollars in reserve, which 6 million dollars of that has already been allocated for other bill. That leaves 8 million dollars available in TANF reserves, of which, 2 million dollars could be used for this particular bill. This will assist low- to moderate level income people in getting into housing, but it also spurs economic development. In many of those cases the houses that these individuals will be purchasing will need to be built and others will need to be remodeled. He said he wants this money to go to the Board of Housing, who have experience in handling loans of all kinds.

Ren Essene said they have been hearing a lot about the housing crisis across the state and the Montana Board of Housing puts out a comp plan which assesses our housing crisis and talks about some of the barriers they are facing. In urban areas there are issues of high cost burden of both home ownership and rental housing. In rural areas housing might be less expensive and wages might be less so home buyers are having problems accessing mortgages. There also is a need for infrastructure.

EXHIBIT (aph31a05) .

{Tape : 2; Side : B; Approx. Time Counter : 2.7}

Judy Smith said a large number of people they work with in their program spend all of their income on housing. This money is investing in families to move them off of poverty and off of welfare and into a better employment situation.

EXHIBIT (aph31a06) .

Sharon Hoff-Brodowy said they feel the minimum condition for life in community is a basic right to housing. It is very difficult in our rural state to find affordable housing.

Opponents' Testimony: None.

Informational Witnesses' Testimony:

Hank Hudson said this is an allowable use of TANF funds, there is a number of ways to use TANF money to assist people with housing.

Bruce Brinstol will be available for questions.

Questions from Committee Members and Responses:

{Tape : 2; Side : B; Approx. Time Counter : 9.5}

Rep. McCann asked **Senator Christiaens** if there was money in this trust fund now. **Senator Christiaens** said there was not, they were unable to find money to fund the housing trust fund.

Rep. McCann asked **Senator Christiaens** if anyone could contribute to this trust fund, not just federal money. **Senator Christiaens** said that is correct, if they could find some donor who would like to put a large amount in, but 2 million dollars is the smallest amount of money they want to put in, in order to get started.

Rep. McCann asked **Senator Christiaens** to explain how he arrived at 200% poverty level. **Senator Christiaens** said in working with the legislative fiscal division, this is the amount felt most appropriate to be able to help this particular segment of low income.

Rep. Buzzas asked **Mr. Brinstol** if the Montana Board of Housing has any sort of loan program for housing in the state. **Mr. Brinstol** said yes, but it doesn't particularly target TANF participants. Their main business is to issue bonds, in which they purchase mortgages.

Rep. Buzzas asked **Mr. Brinstol** if repayment on loans has been good in the past with their agency. **Mr. Brinstol** said their delinquency rate at the Board of Housing is probably half of the National Delinquency Rate. They are about 2.2% and national is around 4%. All of their loans are insured. Even in the event of default, the risk of cost to the Board of Housing is relatively slim.

Closing by Sponsor:

Rep. Clark said this is a one time only loan to the program. It is for homes that are already built, it will perpetuate itself because the loans are insured and will come back into the program

ADJOURNMENT

Adjournment: 4:50 P.M.

REP. STEVE VICK, Chairman

PAULA BROADHURST, Secretary
Transcribed by Donna Huffman

SV/PB/DH

EXHIBIT (aph31aad)